

**Spanish-Speaking Taxpayers Receive
Expanded Access to Telephone Assistance**

September 2001

Reference Number: 2001-40-163

This report has cleared the Treasury Inspector General for Tax Administration disclosure review process and information determined to be restricted from public release has been redacted from this document.



INSPECTOR GENERAL
for TAX
ADMINISTRATION

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

September 10, 2001

MEMORANDUM FOR COMMISSIONER, WAGE AND INVESTMENT DIVISION

Gordon C. Milbourn

FROM: (for) Pamela J. Gardiner
Deputy Inspector General for Audit

SUBJECT: Final Audit Report - Spanish-Speaking Taxpayers Receive
Expanded Access to Telephone Assistance

This report presents the results of our review to determine whether the Internal Revenue Service (IRS) has effectively implemented legislative requirements to provide telephone assistance to Spanish-speaking taxpayers. Additionally, we ascertained the level of access and quality of responses being provided to Spanish-speaking taxpayers through toll-free telephone assistance.

While the IRS implemented this legislative requirement by offering the Spanish language option on all three of its major toll-free helplines and establishing a new call site in Puerto Rico, the results of our test calls, as well as reports from the IRS' quality assurance staff, show that improvement is needed in the quality of responses being provided to Spanish-speaking taxpayers asking tax law questions. The IRS' Centralized Quality Review Staff also reported that the non-use, or incomplete use of the reference guide used to answer tax law questions during Spanish language calls, was the primary reason for low-quality performance. Concerns expressed by assistors included having to translate the text from English to Spanish while on the telephone with taxpayers and needing supplemental information not readily available in some sections of the guide.

To enhance the effectiveness of the reference guide used by the bilingual telephone assistors, we recommended that the IRS evaluate the guide and consider changes to help improve the quality of responses provided to Spanish-speaking taxpayers. IRS management agreed with our recommendation and has initiated corrective actions. Management's comments have been incorporated into the report where appropriate, and the full text of their comments is included as an appendix.

Copies of this report are also being sent to the IRS managers who are affected by the report recommendation. Please contact me at (202) 622-6510 if you have questions or

M. Susan Boehmer, Acting Assistant Inspector General for Audit (Wage and Investment Income Programs), at (770) 936-4590.

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Spanish-Speaking Taxpayers Receive Expanded Access to Telephone Assistance

Background

In the Internal Revenue Service (IRS) Restructuring and Reform Act of 1998 (RRA 98),¹ the Congress recognized the need to provide a growing Spanish-speaking population with improved income tax assistance using telephone helplines. This provision of the RRA 98 had an effective date of January 1, 2000.

Accordingly, the IRS established its Multilingual Policy in 1999, with a commitment to ensure that the IRS had the necessary tools to interact with a diverse population regardless of their inability to understand and speak English. In 2000, the United States (U.S.) Census Bureau's determination that 35.3 million people, or 12.5 percent of the U.S. population, are of Hispanic origin further strengthened the importance of this policy. The IRS has estimated that it expects to receive over 1 million calls from Spanish-speaking taxpayers in 2001.

This audit is one of several designed to evaluate the IRS' effectiveness in providing customer service on its toll-free telephone system. The Treasury Inspector General for Tax Administration (TIGTA) is also conducting audits of the IRS' toll-free assistance for individual tax law questions during the 2001 Filing Season,² the adequacy of the IRS' toll-free quality and quantity measures, and the management of the toll-free referral process.

Audit work was conducted at the Accounts Management Center in Austin, Texas; and the Customer Service Center telephone call site in San Juan, Puerto Rico; between February and April 2001. In addition, we placed 201 test calls using the Spanish option on the IRS' General Inquiries helpline. TIGTA auditors fluent in Spanish made the test calls from the Austin, Texas; Ft. Lauderdale, Florida; and Los Angeles, California; metropolitan areas on Friday, February 9, 2001, through Tuesday, February 13, 2001.

The audit was performed in accordance with *Government Auditing Standards*. However, due to the limited time

¹ Internal Revenue Service Restructuring and Reform Act of 1998, Pub. L. No. 105-206, 112 Stat. 685.

² *Letter Report: Our Experience in Asking the Internal Revenue Service Tax Law Questions on Its Toll-free System Was Not Satisfactory* (Reference Number 2001-40-106, dated June 2001)

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Toll-free Telephone Service to Spanish-Speaking Taxpayers Was Significantly Expanded in 2001

period used in conducting our toll-free test calls, the results should be viewed only as an indicator of the quality of service being provided to Spanish-speaking taxpayers and not reflective of the entire filing season. Detailed information of our audit objective, scope, and methodology is presented in Appendix I.

The IRS' General Inquiries helpline provides answers for taxpayers' procedural, tax law, and notice questions. When taxpayers call the helpline, they are given the option at the beginning of the call to have their questions answered in either English or Spanish.

Telephone assistors for Spanish language helplines are located at 8 Customer Service call sites and provide live assistance 6 days a week from 7:30 a.m. until 11:30 p.m. In addition to live assistance, the IRS provides automated call service, via recorded answers, to frequently asked tax law and refund questions in Spanish 24 hours per day, 7 days a week. In Calendar Year 2000, the IRS answered over 686,000 telephone calls from Spanish-speaking taxpayers. Of these calls, 58,335 related to specific tax law questions.³

As of January 2000, the option for Spanish assistance was available only through the General Inquiries helpline. In January 2001, Spanish language assistance was made available on all three of the major IRS toll-free helplines. These helplines included:

- **(800) 829-1040 - General Inquiries**
For procedural, tax law, and notice questions.
- **(800) 829-8815 - Account Inquiries**
For account, notice, and payment questions.
- **(800) 829-4262 - Refund/Earned Income Credit (EIC) Inquiries**
For refund status and denial of EIC questions.

Expanding the Spanish language option to additional helplines has enabled the IRS to provide Spanish-speaking taxpayers with access to more customer services.

³ Determined from IRS data reports.

Spanish-Speaking Taxpayers Receive Expanded Access to Telephone Assistance

New customer service center improves Spanish-speaking taxpayers' access to bilingual telephone assistors

The IRS also established a new Spanish language call site in San Juan, Puerto Rico, in January 2001. The new call site is 1 of 8 call sites available and is staffed with over 200 telephone assistors that comprise almost one-half of the bilingual telephone assistors employed.

During the period of January 1 to March 31, 2001, the Puerto Rico call site answered over 133,000 calls from Spanish-speaking taxpayers. This represents 63 percent of the approximately 210,000 calls handled by all bilingual assistors during this period. In addition, the assistors in Puerto Rico answered over 40,000 calls in English.

The Quality of Responses to Taxpayers' Tax Law Questions Needs Improvement

The IRS has defined quality service as being provided when telephone assistors follow IRS internal procedures and provide taxpayers with correct answers to their questions. It further defined the quality of tax law calls as providing taxpayers with correct and complete tax law information.

To evaluate assistor responses to taxpayer questions, we placed 201 test calls using the Spanish language option on the IRS' General Inquiries helpline and were able to reach an assistor on 174 (87 percent) of these calls. We defined quality service as being provided when telephone assistors gave accurate and complete answers to our tax law questions. (Answers that met this definition are subsequently referred to as "appropriate" responses).

In each call conducted, auditors asked one of five tax law questions constructed from topics discussed in the "Frequently Asked Questions" section of the IRS' Internet web site. (The five test questions used are listed in Appendix III.)

Telephone assistors provided appropriate responses to 71 percent of tax law questions

Test call results determined that telephone assistors provided appropriate responses to tax law questions for

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123 (71 percent) of the 174 test calls conducted.⁴ For the 51 inappropriate responses, the assistor:

- Provided an answer but included inaccurate or insufficient information 44 times.
- Avoided a direct answer by referring caller to a publication, worksheet, or Internet site seven times.

For the test questions listed in Appendix III, assistants provided an appropriate response most frequently to question number 5 relating to the EIC. This question was asked 33 times and received 30 appropriate responses. Assistors provided a wrong response most frequently to question number 3 relating to an itemized deduction for child school tuition. This question was asked 36 times and received 25 wrong responses.

Appendix IV shows that 4 of the 5 questions received an appropriate response rate of 70 percent or higher. If question number 3 is excluded from the overall results, the percentage of appropriate responses would have increased from 71 percent to 81 percent. Appendix V shows that the percentage of appropriate responses ranged from a low of 63 percent on Friday to a high of 79 percent on Saturday.

Enhancements to the Probe and Response Guide may improve the quality of telephone assistor responses

As discussed earlier, the IRS defines quality service as being provided when telephone assistants follow all IRS internal procedures and provide taxpayers with correct answers to their questions. The IRS calculation that factors following internal procedures together with providing a correct answer to taxpayers is referred to as the Quality Rate. Examples of such internal procedures include telephone assistants providing callers with their name and identification number and following certain steps outlined in the IRS' Probe and Response Guide.

The Probe and Response Guide is important because it provides a framework for assistants to obtain the complete

⁴ Test results should be viewed only as an indicator of the quality of service being provided to Spanish-speaking taxpayers and not reflective of the entire filing season.

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information necessary to answer taxpayers' questions consistently and correctly. It is designed to be used by assistors when responding to taxpayers with tax law inquiries while on the telephone.

When we analyzed our test calls as to whether telephone assistors followed IRS procedures in addition to providing taxpayers with a correct answer, we found that 68 of 174 test calls met this measure for a calculated Quality Rate of 39 percent.⁵ While this percentage was indicative of assistor performance only during our limited test period, it was comparable to the 40 percent Quality Rate determined by the IRS' Centralized Quality Review Staff in its review of Spanish language calls from January 1 to February 17, 2001.

The Probe and Response Guide is organized by topic and provides prompts for assistors to obtain information necessary to correctly answer taxpayers' questions. Although, the IRS repeatedly instructs assistors to use this guide during calls, its non-use or incomplete use by assistors was a primary problem cited by quality assurance personnel during their recent review of Spanish language calls.

To get a fresh perspective as to why employees did not always use the Probe and Response Guide, we interviewed 11 newly hired telephone assistors at the Puerto Rico call site. These assistors had recently completed 13 weeks of classroom training and had been answering taxpayer telephone calls for over 12 weeks. Of the 11 assistors we interviewed, 10 held college undergraduate degrees with 2 having advanced degrees.

These assistors, as well as the local call site managers, appeared very enthusiastic about their jobs and quite supportive of the IRS' efforts to provide and improve the quality of income tax assistance to Spanish-speaking taxpayers. However, during our interviews the assistors expressed the following concerns that they believed hindered the Guide's usability:

⁵ Test results should be viewed only as an indicator of the quality of service being provided to Spanish-speaking taxpayers and not reflective of the entire filing season.

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- The text requires a mental translation from English to Spanish while assistors are on the telephone with taxpayers.
- Some of the probes are listed in a sequence that is not conducive to obtaining appropriate information.
- Sections of the text are brief and need supplemental information to make them more complete.

For example, several interviewees commented that the Guide often refers to other information sources, such as IRS tax publications or procedure manuals, but does not include excerpts that could be helpful in providing better and more timely responses to taxpayers.

Recommendation

To enhance the effectiveness of the Probe and Response Guide and to improve the quality of responses to Spanish-speaking taxpayers, the Commissioner, Wage and Investment Division, should:

1. Evaluate the Probe and Response Guide currently used by bilingual telephone assistors and consider:
 - Providing a Spanish version to facilitate its use.
 - Sequencing prompts and adding questions to ensure information is logically and efficiently obtained.
 - Supplementing sections of the Guide with excerpted information from other sources where needed.

Management's Response: The IRS responded, "We evaluated the Probe and Response Guide and have initiated a project to develop a Spanish version. The project team has scheduled focus interviews with our bi-lingual CSRs to make the Guide more user-friendly. The project team will consider the report's recommendations on sequencing prompts, adding questions, and supplementing the Guide with excerpts from other sources."

Detailed Objective, Scope, and Methodology

The overall objective of this review was to determine whether the Internal Revenue Service (IRS) has effectively implemented legislative requirements to provide telephone assistance to Spanish-speaking taxpayers. Additionally, we ascertained the level of access and quality of responses being provided to Spanish-speaking taxpayers through toll-free telephone assistance.

- I. To determine whether Spanish-speaking taxpayers receive quality assistance when they call into the IRS' toll-free telephone system with tax law questions, we:
 - A. Identified five individual tax law test questions from topics discussed in the "Frequently Asked Questions" section of the IRS' Internet web site involving different tax law topics that are relevant to Spanish-speaking taxpayers.
 - B. Designed a data collection instrument to be used to capture the conversation when conducting the test calls.
 - C. Completed 174 of 201 test calls placed to the IRS' General Inquiries helpline using the Spanish language option to determine the quality of responses being provided by IRS assistors on the 5 individual tax law questions. (27 test calls could not be completed because the telephone system indicated that assistors were unavailable).
- II. To ascertain the level of toll-free telephone access that the IRS provides to Spanish-speaking taxpayers, we:
 - A. Determined what toll-free services are being provided to Spanish-speaking taxpayers.
 - B. Determined how the IRS measures the service it provides to Spanish-speaking taxpayers on its toll-free helplines and what the reported measure of service was during our test period.
 - C. Determined the resources the IRS provides to give service to Spanish-speaking taxpayers.
- III. To ascertain the quality of responses provided to Spanish-speaking taxpayers through toll-free telephone assistance, we:
 - A. Determined the level of quality review that is being performed on Spanish language calls.
 - B. Determined the level of training that is provided to Spanish language assistors.
 - C. Interviewed a sample of 11 out of the 201 bilingual telephone assistors at the IRS' Customer Service call site in San Juan, Puerto Rico. The interviewees were selected judgmentally base on their length of employment so as to get their opinions on the training they received and the quality of the job aids that are available to them.

Report Distribution List

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Test Call Questions

We asked the following five questions when calling the Internal Revenue Service's (IRS) toll-free telephone helpline and requesting assistance in Spanish. In addition to the questions, the auditors were provided with scripted answers to questions that may have been asked by the assistants.

1. Can I claim my niece as a dependent?

Scenario: Your niece lived with you for eight months. Your niece does not work or have any income of her own. You supported your niece and her son for the last nine months. Your niece is not married. They are both U.S. citizens.

Answer: You can claim your niece as a dependent.

2. My employer sent me a 1099-MISC instead of a W-2. The 1099 shows my wages as non-employee compensation. I was an employee. What do I do?

Scenario: You are a painter. You work for a homebuilder that has hired you to paint new houses that he has built. You provide your own tools and equipment. The builder tells you when and where to work. He also provides the paint. You sometimes take other jobs on the side when the homebuilder has no work available for you, but you don't advertise your services. The builder pays you \$10.50 an hour. The builder does not provide health insurance, a pension plan, vacation pay, or sick pay.

Answer: You are being treated as a self-employed worker, also referred to as an independent contractor.

If you believe you are an employee and not an independent contractor you may request a ruling by filing Form SS-8. You must file your income tax return before a determination can be issued.

To file as a non-employee, you have to report your non-employee compensation on Form 1040, Schedule C, or Form 1040, Schedule C-EZ. You also need to complete Form 1040, Schedule SE, and pay self-employment tax on your net earnings from self-employment of \$400 or more.

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3. Can I deduct the tuition that I paid for my child's school?

Scenario: You and your spouse sent your blind child to a special school for the blind in 2000. This was the first year of school for your child. This special school costs you \$7,000. Your adjusted gross income for 2000 was \$48,645.

Answer: You can deduct the tuition you paid for your child to attend a special school for the blind. This deduction can be taken on the Schedule A as a Medical and Dental Expense. The amount you will be able to deduct is that amount that exceeds 7.5 percent of your Adjusted Gross Income.

4. Do I owe taxes on my social security?

Scenario: You retired last year. You received social security benefits in the amount of \$7,000. You also received taxable retirement income of \$12,000. The only other income you had is interest income of \$1,500. You are single.

Answer: You do not have to pay taxes on your social security benefits.

5. Can my son get the Earned Income Credit (EIC)?

Scenario: Your son is 18 and not married. He and his girlfriend have a daughter and they live in a dwelling that your son owns. He made \$7,564 last year. His girlfriend had no income.

Answer: Your son does qualify to take the EIC. The assistor should advise you of the following:¹

- Intentional disregard of rules and regulations of fraud will result in EIC being disallowed in future years.
- The requirement and disallowance of missing or incorrect social security numbers.

¹ As required by the Internal Revenue Service Restructuring and Reform Act of 1998, Pub. L. No. 105-206, 112 Stat. 685.

Test Call Results by Question

Type of Question	Number of Test Calls	Number of Appropriate Responses	Percentage of Appropriate Responses
1. Dependents	37	29	78%
2. Non-Employee Compensation	33	23	70%
3. Itemized Deductions	36	11	31%
4. Social Security Income	35	30	86%
5. Earned Income Credit	33	30	91%
Totals	174	123	71%

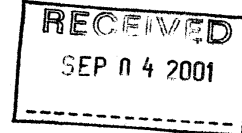
Test Call Results by Day

Date of Test Calls	Number of Test Calls	Number of Appropriate Responses	Percentage of Appropriate Responses
February 9, 2001 (Friday)	49	31	63%
February 10, 2001 (Saturday)	34	27	79%
February 12, 2001 (Monday)	42	30	71%
February 13, 2001 (Tuesday)	49	35	71%
Totals	174	123	71%

Management's Response to the Draft Report

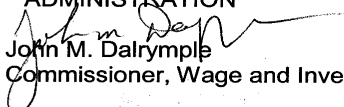


DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
ATLANTA, GA 30308



AUG 31 2001

MEMORANDUM FOR TREASURY INSPECTOR GENERAL FOR TAX
ADMINISTRATION

FROM: 
John M. Dalrymple
Commissioner, Wage and Investment Division

SUBJECT: Draft Audit Report – "Spanish-Speaking Taxpayers
Receive Expanded Access to Telephone Assistance"
(Audit No. 200140022)

Thank you for recognizing we have significantly expanded service to our Spanish-speaking customers in 2001. I agree with your report's conclusion that we need to improve the quality of our tax law responses. The results you obtained from asking test questions substantially exceeds the quality results reported by our Centralized Quality Review Staff from conducting call monitoring. While we do not endorse the use of test questions as a legitimate measurement tool for quality reporting, we recognize the need for improvement. We also agree with your recommendation to improve the Probe and Response Guide for our bilingual Customer Service Representatives (CSR).

RECOMMENDATION

To enhance the effectiveness of the Probe and Response Guide and to improve the quality of responses to Spanish-speaking taxpayers, the Commissioner, Wage and Investment Division, should:

- Evaluate the Probe and Response Guide currently used by bilingual telephone assistants and consider:
 1. Providing a Spanish version to facilitate its use.
 2. Sequencing prompts and adding questions to ensure information is logically and efficiently obtained.
 3. Supplementing sections of the Guide with excerpted information from other sources where needed.

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2

ASSESSMENT OF CAUSE

The Probe and Response Guide is an important tool because it provides a framework for assistors to get the information they need to answer taxpayers' questions consistently and correctly. During reviews of Spanish language calls, the non-use or incomplete use of the guide by assistors was cited as a primary problem.

CORRECTIVE ACTION

We evaluated the Probe and Response Guide and have initiated a project to develop a Spanish version. The project team has scheduled focus interviews with our bi-lingual CSRs' to make the guide more user-friendly. The project team will consider the report's recommendations on sequencing prompts, adding questions and supplementing the guide with excerpts from other sources.

IMPLEMENTATION DATE:

February 1, 2002

RESPONSIBLE OFFICIALS

Director, Accounts Management
Director, Customer Account Services
Commissioner, Wage and Investment Division

If you have any questions, members of your staff may contact Ron Watson, Director, Customer Account Services, at 404-338-8910.